

Pure denatured ethanol, as it is currently used, does not generally fit within the definition of "motor fuel" under the Motor Fuel Tax Law. 35 ILCS 505/1.1. This letter rescinds Letter ST 03-0195-GIL. (This is a GIL.)

September 6, 2006

Dear Xxxxx:

This General Information Letter is sent to you to rescind General Information Letter ST 03-0195-GIL that was sent to you on December 19, 2003.

The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The Department has revisited the issue of whether or not sales of 100% denatured alcohol are subject to Motor Fuel Tax. The definition of "motor fuel" under the statute states in part that motor fuel "means all volatile and inflammable liquids produced, blended or compounded for the purpose of, or which are suitable or practicable for, operating motor vehicles." 35 ILCS 505/1.1. The Department has examined this issue and determined that 100% pure denatured ethanol currently does not generally fit within this definition of motor fuel unless sold as a motor fuel or delivered directly into the fuel supply tanks of motor vehicles. As a result, persons who produce or sell 100% denatured ethanol by itself are not required to register and pay the Motor Fuel Tax. Please note that the letter issued December 19, 2003 is rescinded effective immediately.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Martha P. Mote
Associate Counsel

